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Chicago, IL 60601-5212

Telephone 312 665 1000  
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January 18, 2006

Ms. Sara J. Phillips  
Manager, International Services Group  
Delphi Corporation  
M/C 480.410.122  
5825 Dephi Drive  
Troy, MI 48098

Dear Sara:

Delphi Corporation (Delphi) and KPMG LLP (KPMG) have entered into an agreement letter dated October 5, 2004 and November 3, 2004 under which KPMG will provide international executive services to Delphi and its expatriates. The additional services listed in Attachment A and the following are made part of the October 4, 2004 and November 3, 2004 engagement letters.

#### **Tax Return Standards**

KPMG applies elevated standards in preparing tax returns. Under these standards, we must be able to determine that a return position is "more likely than not" to be upheld (i.e., has a greater than 50 percent likelihood of success if challenged by the IRS) if the position does not involve a transaction designated by the IRS as a "listed transaction" within the meaning of Treas. Reg §1.6011-4, or a transaction with the principal purpose of avoiding or evading any tax imposed by the Internal Revenue Code (a "principal purpose transaction"). If a return position relates to a "listed transaction" or a "principal purpose transaction", we must arrive at a "should" confidence level (i.e., approximately a 70 percent or greater likelihood of success if challenged by the IRS) with respect to the position. In determining whether a return position satisfies the "more likely than not" and "should" standards, we will not take into account the possibility that a tax return will not be audited, that an issue will not be raised on audit, or that an issue will be settled. We will inform you as soon as possible if, during our preparation, we determine circumstances exist that prevent us from completing the tax return under these standards.

#### **Tax Advisory Services**

This engagement letter also covers tax advisory matters that may arise for which you seek our advice, both written and oral, and that are not the subject of a separate engagement letter. Any such advice will comply with the elevated standards described in the "Tax Return Standards" section of this letter. If the advice rises to the level of a "Covered Opinion" as defined in §10.35 of Circular 230, we will issue a separate engagement letter for the issuance of a Covered Opinion.



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**Professional Fees**

Our fees for the compliance services detailed on the October 4, 2004 engagement letter will be billed at the lesser of the fees in the original engagement letter or the actual time incurred to complete the tax return or task at our standard hourly rates for the individuals involved in providing the services plus out-of-pocket expenses and the lesser of the fees related to services provided by KPMG member firms as indicated in the original fee schedule or the actual time incurred to complete the tax return or task at their standard hourly rates.

Please sign the enclosed copy of this letter to confirm our agreement and return it to us within 30 days. If you have any questions, please call Sandra Froylan at (312) 665-3323 or me at (312) 665-5207.

Very truly yours,

KPMG LLP




Doyoung Yong  
Senior Manager  
International Executive Services

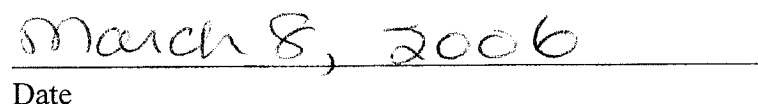
cc: James P. Whitson, Delphi Corporation  
Ann Marie Goddard, KPMG  
Saul Caisman, KPMG  
Sandra Froylan, KPMG

**ACCEPTED:**

Delphi Corporation.

  
Authorized Signature

  
Title

  
Date

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P  
Y

## **Attachment A: Delphi Corporation**

Fee Schedule for Additional Services  
To be billed at onset of assignment  
Effective Date: January 19, 2006

Preparation of cost estimates per employee to include the following services: \$850/employee

Prior to assignment services to be completed within 2 business days:

- Prepare cost projection including revisions
- Prepare draft expatriate agreement
- Prepare draft pay calc

Beginning of assignment services:

- Final expatriate agreement and pay calc and participate in Orientation
- Calculate Relocation Allowance and Mobility Premium to be paid in month prior to assignment and provide to payroll
- Calculate first year spending account to be paid in first month of assignment and provide to payroll

Annual update of spending account

- Calculate annual spending account on assignment anniversary date and provide to payroll

End of assignment reconciliation of spending account

- Calculate Relocation Allowance less outstanding tax and pro-rata spending account due from employee